

ETAAC Federal Policy Sector Group

Proposed topic: "How could California policy optimize the requirements of AB 32 within the context of a Federal Climate Bill?"

Using the ACES (HR 2454) bill as a model we would consider the following:

1. What portion of the California 174 MMT reduction by 2020 required by AB 32 would be met through ACES?
 - Look at different policy options for meeting the number
 - Minimize costs; how to avoid dual compliance
 - What preemptions are in ACES
 - Are there timing considerations
2. How could money from ACES help California business?
 - regulated entities
 - small business
 - role of stimulus money
3. How could money from ACES help California consumers?
 - expected amount and uses
 - does ACES provide sufficient flexibility
 - differentiate low-income and general ratepayer assistance
 - role of stimulus money
4. Are there ideas in ACES regarding auctions, allowances, distribution of auction revenues or market mechanisms that should be considered in the design of California's AB 32 market mechanisms?
5. Are there changes to ACES that we would want to propose back to Congress?
 - get current thinking from CARB
 - what mechanisms would we use for feedback?

We realize that ACES will be modified and it may not become law but it is the most advanced climate policy draft legislation yet to emerge from Congress.

A [summary](#) of the major provision of ACES can be found at the Energy & Commerce web site¹ and at [NRDC](#)².

¹ http://energycommerce.house.gov/index.php?option=com_content&view=article&id=1633&catid=155&Itemid=55

² <http://www.nrdc.org/globalWarming/09061501.asp>